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March 26, 2015

Ms. Jocelyn Boyd Chief Clerk and Administrator South Carolina Public Service Commission PO Drawer 11649 Columbia, SC 29211

Dear Ms. Boyd:

Pursuant to Commission Order No. 2014-451, Chem-Nuclear Systems (CNS) is submitting the attached monthly report of variable cost data to the Commission. By copy of this letter we are also submitting this report to the Office of Regulatory Staff (ORS).

The enclosed preliminary monthly report of variable cost data covers the month of February. This report is similar in format to information that has been provided to the ORS in support of the ORS audits of CNS' allowable costs. The monthly data will be summarized on an annual basis to develop variable cost rates that can be used as one predictor of variable costs.

Sincerely,

Michael J. Benjamin

Director, Barnwell Operations

Enclosure

c: James Miller, Energy Solutions
Jay Jashinsky, Office of Regulatory Staff
Ashlie Lancaster, SC Energy Office
Deborah Ogilvie, Energy Solutions

## Variable Costs:

## Variable Labor and Non-Labor Costs for February 2015

Commission Order No. 2014-451 identified the following categories of rates for projecting Variable Labor and Non-Labor costs: vault purchase and inspection (per vault), ABC waste disposal (per shipment), slit trench operations (per slit trench offload), customer assistance (per shipment), and trench records (per container).

The following table illustrates the Variable Labor and Non-Labor costs that would be calculated using the Variable Labor and Non-Labor rates identified in Commission Order No. 2014-451 for Fiscal Year 2014-2015 and the number of units in each category:

	Units	Variable Cost Rate in Order No. 2014-451	Calculated Cost
Vault Purchase and Inspection (per vault)	6	\$156.21	\$937.26
ABC Waste Disposal (per shipment) (total shipments, less slit trench shipments, less irregular project shipments)	6	\$1,190.82	\$7144.92
Slit Trench Operations (per slit trench offload)	0	\$40,000.00	0
Customer Assistance (per shipment)	6	\$93.94	\$563.64
Trench Records (per container)	7	\$261.14	\$1,827.98
Total Calculated Variable Labor and Non-Labor Costs			\$10,317.59

The actual Variable Labor and Non-Labor costs experienced during the month resulted in a Total Variable Labor and Non-Labor cost of \$20,471.87

## Vault Costs for February 2015

The following table illustrates the vault costs that would be calculated using Variable Cost rates identified in Commission Order No. 2014-451 for Fiscal Year 2014-2015 and the volumes of waste received in each respective category:

	Volume Received (cubic feet)	Variable Cost Rate in Order No. 2014-451	Calculated Cost
Class A Waste	735.6	\$ 37.34	\$27,467.30
Class B Waste	0	\$ 48.47	\$0
Class C Waste	326.1	\$ 52.15	\$17,006.12
Slit Trench Waste	0	\$210.00	\$0
Irregular Components (in vaults as an irregular cost)	0	0	\$0
Irregular Components (not in vaults)	0	0	\$0
Total Calculated Vault Cost			\$44,473.42
Total Volume	1,061.7		

Cost incurred for disposal vaults procured during February 2015: \$6,478.76